

Change the Conversation in the Boardroom

Tri Modal Leadership

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Agenda

A photograph of four business professionals standing on a grassy hillside at sunset. In the center, a man in a dark suit and tie stands prominently. To his left, a woman in a bright yellow blouse and black skirt stands. To his right, a woman in a black blazer and white shirt stands. In the background on the left, another man in a dark suit is partially visible. The background features rolling hills and mountains under a clear sky with a warm, golden light.

Trends in Board
Leadership

New Thinking
about Governance

High Performing
Board Practices

Transformative Theory

Question how we are as a
Board-CEO relationship

core beliefs

practices

relationships

perspectives



Personal Competencies



Interpersonal and strategic characteristics of boards are the most significant dimension of board performance.

Competency and involvement are key characteristics.

Intentional Tri-Modal Governance

Three ways to practice governance

Type I
Fiduciary oversight
actions/directions



Type II
Planning and strategic
conversations

Type III
Framing dialogue
before decisioning

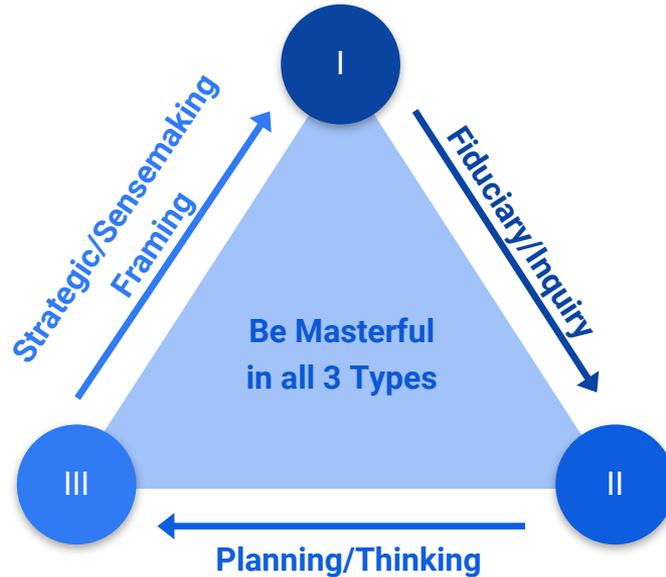
What happens in Type III

Board and CEO frame challenges and opportunities and leverage their competitive advantage with rigorous discussions and decision-making.

Conversation with candor on deciding what needs to be decided.



Tri-Modal Governance



Critical Thinking is a Requirement

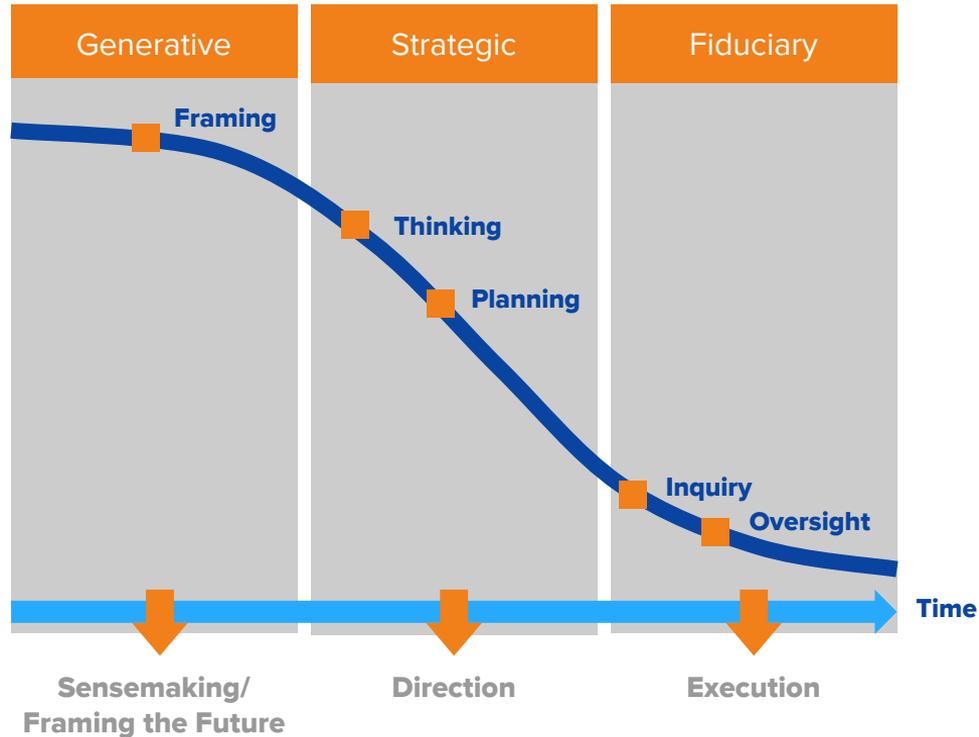
Emotional-free type of thinking

Brings to the surface
every possible outcome



Governance Modes

Opportunity for Generative Work



Community of Active Learners

Focused on critical thinking and understanding.

Ideas versus formal authority.

Deciding what needs to be decided.

Leverages expertise of CEO in collective and collegial strategic thinking.



Candor and Courage

Great minds think differently.

Look for the forensic cues
and question.

Discern and frame the
conversation.

Multidimensional and ongoing
curiosity and learning.

Insist on all voices heard.



Five Levels of Board Consciousness/Thinking

Progressive in nature

The higher the order, the more complex and dynamic conversation will be; the more adept at holding variables in new and constructive lights.

The lower the order, the less complex and the more straightforward and black and white.

Learning to go from one order to another can be painful.





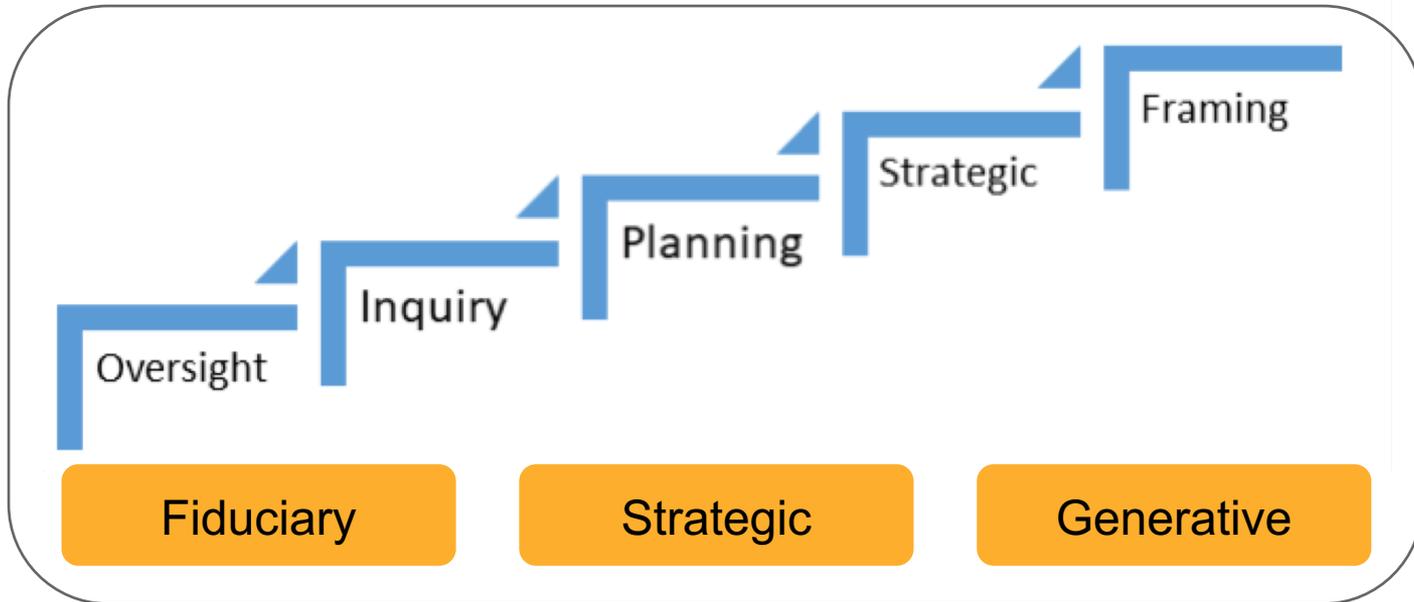
It's unfamiliar,
and scary.

“The more we mature, the more we understand what we do and do not control.”

“Let's stay with what we know and can control.”

Governance Frameworks

Levels of Consciousness



1. Oversight

This level veers toward control and accountability to what is known, observed, measured so that something, if needed, can be changed.

The conversations are informed by **“momentary intentions”** and discussions (often distractions) that consume the board’s attention and energy.



2. Inquiry

The board couples **oversight with curiosity** to seek to understand relationships, how variables interplay and interrelate, and will produce specific desirable/undesirable outcomes.

Variables and outcomes are tangible and can still be observed and measured.

The scope of the conversation is limited to the known variables and relationships, whether or not they are understood.

3. Planning

Moves into dialogue regarding tangible and measurable (future) actions.

This actionable context provides clarity to relevant parties.

Comfort is derived from outlining the plans, intended outcomes, and clarity of responsibility.



4. Strategic

The concrete conversation moves into the abstract

The Board seeks to uncover the known and unknown variables against the historical, present, and future contexts.

This includes such items as communication, competencies (board, management, staff), economic/regulatory environment, and competition.

Most importantly, this level of consciousness empowers the board to understand there are variables both within and out of control and that luck and chance play an active role in failure and success.

4. Strategic, cont'd

“Clarity of our north star is what we hope will sustain us, long after we retire from the board.”

“We have to choose a path and clarity of that path is essential.”

“Therefore, our decision is based on what we know, believe, and have vetted will be the time-tested direction for the organization.”

“We will not assume that we will get there.”

5. Framing/Generative

The board is equipped to continually regard the interrelatedness of relationships and the tangible and intangible variables.

Contextualizing the issue, challenge, or opportunity for creative dialogue is where innovation is sparked and new possibilities emerge.

Directors realize that other's perspectives and beliefs are equal and neither morally wrong or right.

They understand how their individual (and intensely personal) beliefs inform, enable, and inhibit their perspective.

They inquire to reconcile and situate their perspectives against others to find the connection and separation, without morality or an emotional charge.

5. Framing/Generative, cont'd.

“Our level of control and influence will change as the organization and market mature or emerge. More some days. Less others.”

“We may like today’s outcomes and regret them tomorrow.”

“We may not like specific variables today and depend upon them tomorrow.”

“Given what we know about today’s market and our resources how do we prepare for the change we need to be in the future?”

“We have multiple strategic initiatives needing common resources.”

“What difficult questions do we need to be asking, as a Board and CEO to ensure we remain competitive in the future?”

“What hard questions need to be considered today in deciding the future path?”



Increased Comfort with Uncertainty

Progressing levels can be painful.
A tolerance for uncertainty is
required.

“Let’s stay with what has worked
before (and can control).”
This will keep a board stuck on a
level...and eventually regress.



High Performing Board Practices

Types I and II Implicit Board Rules	Type III Implicit Board Rules
Alternatives presented and you choose.	Together the Board and CEO generate the alternatives.
Make a decision.	Decide what needs to be decided.
It makes sense; linear decision-making.	Critical thinking before decision-making.
Solve problems as they are presented.	Discern and frame problems.
Practice congeniality and consensus.	Pursue multiple perspectives in a collegial fashion.
Pose pragmatic questions about a reality.	Pose catalytic questions and consider hypotheses.

Primer and Calibration Questions:

What does “strategy” or “being strategic” mean?
What’s the purpose of a “strategy?”

What does “tactic” or “being tactical” mean?
What’s the purpose of a “tactical initiative?”

What does being “strategically aligned” mean?
What will it require for us to attain the next level of
“strategic alignment?”

Moving Forward

- Assess the levels of conversation in your boardroom.
- What is your level of mastery in each of the Tri-Modal areas of governance?
- Recalibrate the boardroom dynamic.
- Review board packet from all three perspectives.
- Proactively practice higher level questions.